Ministry of Agriculture

Irrigation Crop Diversification Corporation

Annual Report for 2015-16

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Government of Saskatchewan

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Letters of Transmittal

The Honourable Lyle Stewart
Minister of Agriculture

June 30, 2016

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it please Your Honour:

As the Minister of Saskatchewan Agriculture, it is my pleasure to submit the annual report for the Irrigation Crop Diversification Corporation for the year ending March 31, 2016.

Respectfully submitted,

Lyle Stewart
Minister of Agriculture

Jay Anderson
Chairman

June 30, 2016

The Honourable Lyle Stewart
Minister of Agriculture

Sir:

I wish to present to you the annual report of the Irrigation Crop Diversification Corporation for the 12 months ending March 31, 2016.

Respectfully submitted,

Jay Anderson
Chairman

Objects and Purposes of ICDC – *The Irrigation Act, 1996*

The objects and purposes of the Irrigation Crop Diversification Corporation (ICDC) are:

- To research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;
- To develop and/or assist in developing varieties of crops suitable for irrigated conditions;
- To provide land, facilities and technical support to researchers to conduct research into irrigation technology, cropping systems and soil and water conservation measures under irrigation and to provide information respecting that research to district consumers, irrigation districts and the public; and
- To co-operate with the Minister in promoting and developing sustainable irrigation in Saskatchewan.

Board of Directors

The following served as Directors of ICDC in 2015-16:

Name	Position	Irrigation District	Development Area Represented	Election Year (#Terms)
Jay Anderson	Chairperson	SSRID#1	LDDA	2017 (2)
David Bagshaw	Vice-Chairperson	Luck Lake ID	LDDA	2016 (1)
Greg Oldhaver	Alt. Vice-Chairperson	Miry Creek ID	SWDA	2017 (2)
Ryan Miner	Director	Riverhurst ID	SEDA- At Large	Appointed (3)
Paul Heglund	Director	Consul-Nashlyn ID	SWDA	2017 (1)
Anthony Eliason	Director	Individual	Non-district	2018 (1)
Nigel Oram	Director	Grainland	NDA- At Large	Appointed (1)
Aaron Gray	Director	Brownlee ID	SIPA rep.	Appointed
Joel Vanderschaaf	Director	SSRID#1	SIPA rep.	Appointed
Penny McCall	Director		Ministry rep.	By Order in Council
Kelly Farden	Director		Ministry rep.	By Order in Council

The four development areas are: Northern (NDA), South Western (SWDA), South Eastern (SEDA) and Lake Diefenbaker (LDDA) as defined in ICDC's bylaws.

ICDC Directors are elected by district delegates in attendance at the annual meeting. Each irrigation district is entitled to send one ICDC delegate per 5,000 irrigated acres or part thereof. Two directors are elected from LDDA, two from SWDA, and one from NDA and SEDA. Non-district irrigators elect one representative.

The Saskatchewan Irrigation Projects Association (SIPA) and Saskatchewan Ministry of Agriculture appoint two directors each to the ICDC board. The ICDC board must, by law, have irrigators in the majority.

2015-16 Highlights

Irrigation Crop Diversification Corporation projects in 2015-16 included:

- **Field Crops:** Field-scale demonstration trials were conducted to assess straight-cut canola, plant growth regulators on irrigated cereals and residue management utilizing vertical tillage. Small-plot trials included crop varietal assessments, soybean agronomy, faba bean agronomy, plant growth regulators on cereals and niche crop demonstrations.
- **Horticulture Crops:** This included demonstrations of cantaloupe, watermelon and ethnic vegetable production in Saskatchewan. In addition, amendments to improve productivity in mature saskatoon berry, haskap and sour cherry orchards were assessed.
- **Forage Crops:** Demonstrations of perennial forage crops, salt tolerant forages, corn varieties for silage and grazing, and copper and zinc fertilization of alfalfa were conducted.
- **Nutrient Management:** Field-scale demonstration trials were conducted to assess fertigation timing on durum and canola, boron on canola, copper application on cereals, sulphur fertilization of canola and variable rate fertility management.
- **Water Management:** Irrigation scheduling and refinement of water management of cereals, oilseeds and pulses.
- **South West Irrigation Development Area:** Demonstrations of various amendments for reclaiming sodium-affected soils were conducted.
- **Technology Transfer:** Saskatchewan Ministry of Agriculture and ICDC staff participated in the Canada-Saskatchewan Irrigation Diversification Centre's (CSIDC) Annual Field Day and an ICDC Field Plot tour. They also collaborated to host a Burger and Fry Farm event for local school children. In addition, ICDC and Ministry staff delivered presentations at a number of farmer meetings and field days, the SIPA-ICDC Annual Conference, two Irrigation Agronomy Updates and an Agri-ARM Update, and hosted the ICDC booth at the Crop Production Show. Staff also contributed articles to a number of different publications and carried out TV and radio interviews. ICDC was contracted by the Ministry to host the 2015 Crop Diagnostic School at CSIDC. ICDC published its annual *Research and Demonstration Report, Crop Varieties for Irrigation, Irrigation Agronomics and Economics, Pivot Maintenance Manual* and *The Irrigator.*

More detailed information on ICDC projects is available at: www.irrigationsaskatchewan.com.

INDEPENDENT AUDITOR'S REPORT

To the Members of Irrigation Crop Diversification Corporation

We have audited the accompanying financial statements of Irrigation Crop Diversification Corporation, which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Basis for Qualified Opinion

In common with many non-for-profit organizations, Irrigation Crop Diversification Corporation derives a portion of its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Irrigation Crop Diversification Corporation. Therefore we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limited scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Irrigation Crop Diversification Corporation as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Bjorn Sigurdson C.P.A. Prof Corp

Saskatoon, Saskatchewan

June 29, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

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Irrigation Crop Diversification Corporation

FINANCIAL STATEMENTS

March 31, 2016

IRRIGATION CROP DIVERSIFICATION CORPORATION
Statement of Financial Position
March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash *(Note 4)*	$ 478,057	$ 293,617
Accounts receivable	167,990	42,706
Prepaid expenses	745	745
	646,792	337,068
PROPERTY, PLANT AND EQUIPMENT *(Note 5)*	99,800	38,110
	$ 746,592	$ 375,178
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	$ 174	$ 110
Accrued liabilities	4,050	-
Goods and services tax payable	1,769	2,889
Wages payable	14,467	6,004
Deferred income	195,619	15,356
	216,079	24,359
General fund	530,513	350,819
NET ASSETS	530,513	350,819
	$ 746,592	$ 375,178

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

IRRIGATION CROP DIVERSIFICATION CORPORATION

Statement of Revenues and Expenditures

For the Year Ended March 31, 2016

	2016	2015
REVENUE		
Member levies	$ 107,412	$ 102,260
Operating grants	175,000	148,765
Project-specific funding	122,832	93,257
Research contracts	110,424	61,674
Special events income	3,829	-
Interest income	1,520	1,856
	521,017	407,812
EXPENSES		
Advertising and promotion	2,548	11,949
Bad debts	3,421	6,954
Depreciation of fixed assets	17,902	4,505
Directors fees	6,059	5,623
Equipment rentals	-	2,780
Insurance	3,532	2,104
Interest and bank charges	1,011	375
Meetings and conventions	3,398	7,709
Memberships	395	1,174
Office	11,627	775
Operating expense	2,352	-
Professional fees	38,090	32,113
Rental	28,323	12,315
Repairs and maintenance	387	-
Research projects	18,250	20,076
Salaries and wages	193,990	156,817
Supplies	239	490
Telephone	2,608	1,319
Travel	7,191	-
	341,323	267,078
EXCESS OF REVENUE OVER EXPENSES	$ 179,694	$ 140,734

See notes to financial statements

IRRIGATION CROP DIVERSIFICATION CORPORATION

Statement of Changes in Net Assets

Year Ended March 31, 2016

	General Fund	Restricted Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	$ 350,819	$ -	**$ 350,819**	$ 210,086
Excess of revenue over expenses	179,694	-	**179,694**	140,734
NET ASSETS - END OF YEAR	$ 530,513	$ -	**$ 530,513**	$ 350,820

See notes to financial statements

IRRIGATION CROP DIVERSIFICATION CORPORATION
Statement of Cash Flow
Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 179,694	$ 140,734
Item not affecting cash:		
Depreciation of property, plant and equipment	17,902	4,505
	197,596	145,239
Changes in non-cash working capital:		
Accounts receivable	(125,284)	(40,664)
Accounts payable	64	135
Deferred income	180,263	300
Prepaid expenses	-	175
Goods and services tax payable	(1,120)	1,614
Wages payable	8,463	489
Employee deductions payable	-	(2,989)
Accrued liabilities	4,050	-
	66,436	(40,940)
Cash flow from operating activities	264,032	104,299
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(79,592)	(42,615)
INCREASE IN CASH FLOW	184,440	61,684
Cash - beginning of year	293,617	231,933
CASH - END OF YEAR *(Note 4)*	$ 478,057	$ 293,617

See notes to financial statements

IRRIGATION CROP DIVERSIFICATION CORPORATION
Notes to Financial Statements
Year Ended March 31, 2016

1. DESCRIPTION OF BUSINESS

a) The objects and purposes of Irrigation Crop Diversification Corporation are the following:

i) to research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;

ii) to develop or assist in developing varieties of crops suitable for irrigated conditions;

iii) to provide land, facilities and technical support to researchers to conduct research into irrigation technology, cropping systems and soil and water conservation measures under irrigation and to provide information respecting that research to district consumers, irrigation districts and the public;

iv) to co-operate with the Minister in promoting and developing sustainable irrigation in Saskatchewan.

b) ICDC was established under the Irrigation Act of 1996. ICDC is not an agent of the Crown. Membership consists of Irrigation Districts established throughout the province of Saskatchewan. ICDC is a non-profit organization exempt from Income Tax under section 149(1)(j) of the Income Tax Act.

ICDC competes for funding from governmental programs, grower's associations and any other opportunities it encounters. ICDC contracts with Canada Saskatchewan Irrigation Crop Diversification Corporation to perform specific research, which results are transmitted to ICDC as well as the funding entities. Levies assessed on Irrigation Districts and other irrigated lands are also used to fund research, as well as the operating costs of the Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), and includes the following significant accounting policies:

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund Accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

General Fund

The General Fund relects the primary operations of the organization including revenue received for the provisions of services from government agencies, billings to customers, and donations. Expenses are for delivery of services.

Restricted Fund

The Restricted Fund reflects revenue received during the fiscal period but subject to being refunded if funds are not spent during the fiscal period. Once deemed refundable there is a net asset fund transfer posted from the General Fund to the Restricted Fund.

Revenue recognition

Irrigation Crop Diversification Corporation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and short term investments

Cash and cash equivalents consist primarily of chequing and savings accounts and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the year. Items subject to such estimates include receivable collectibility and useful life of property and equipment. Actual results could differ from those estimates as additional information becomes available in the future.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortization. Property, plant and equipment are amortized at the following rates and methods with the exception of one-half the given rates used in the year of purchase:

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method

Contributed Services

Directors, committee members and others volunteer their time to assist the corporation's activities. While their services benefit the corporation considerably, a reasonable estimate of their amount and fair market value cannot be made and accordingly, these contributed services are not recognized in these financial statements.

3. FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, accounts receivable, deferred revenue, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. CASH

	2016	2015
Cash	$ 478,057	$ 293,617

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Equipment	$ 78,360	$ 13,872	$ 64,488	$ 33,973
Motor vehicles	37,233	5,585	31,648	-
Computer equipment	5,771	2,107	3,664	4,137
	$ 121,364	$ 21,564	$ 99,800	$ 38,110

6. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of chartered professional accountants. Some areas have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the prior year earnings.